VZCZCXRO8406 PP RUEHBC RUEHDE RUEHDIR RUEHKUK DE RUEHDBU #1099/01 2390417 ZNY CCCCC ZZH P 260417Z AUG 08 FM AMEMBASSY DUSHANBE TO RUEHC/SECSTATE WASHDC PRIORITY 0941 INFO RUCNCIS/CIS COLLECTIVE PRIORITY RUCNIRA/IRAN COLLECTIVE PRIORITY RUEHBJ/AMEMBASSY BEIJING PRIORITY 0150 RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 0209 RUEHBUL/AMEMBASSY KABUL PRIORITY 0243 RUEHNE/AMEMBASSY NEW DELHI PRIORITY 0162 RUEHUR/AMEMBASSY ULAANBAATAR PRIORITY 0005 RUEAIIA/CIA WASHDC PRIORITY 0145 RUEKJCS/SECDEF WASHDC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 03 DUSHANBE 001099

SIPDIS

DEPARTMENT FOR SCA/CEN

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TAGS: PGOV PHUM ECON EINV PREL TI

SUBJECT: FARCE DE TRIOMPHE - DUSHANBE CHANNELS PARIS AS IT

PREPARES FOR THE SHANGHAI COOPERATION ORGANIZATION SUMMIT

Classified By: Ambassador Tracey A. Jacobson, reasons 1.4 (b) and (d)

- 11. (C) Summary: As with last year's CIS summit, the Tajik Government is using the occasion of the Shanghai Cooperation Organization (SCO) summit to show off a city with new monuments, smooth and painted grand avenues, park restorations, elaborate and luxurious hospitality, and numerous cultural entertainment programs. The summit preparations create a facade meant to impress officials from China, Russia, Iran, and India, countries which to varying degrees donate to Tajikistan's economic development. Summit preparations and associated construction are enormously expensive, organized in a manner to hide that expense from public scrutiny, and of doubtful benefit to Tajikistan. End Summary.
- 12. (U) Dushanbe hosts the 2008 Summit of the Shanghai Cooperation Organization on August 28. Heads of State or Government of China, Russia, Kazakhstan, Kyrgyzstan, Uzbekistan, Afghanistan, Iran, and Mongolia will attend, along the Foreign Minister of India and a Minister (exactly who is TBD) from Pakistan. Thousands of staffers and myriad camp followers will come with them.

DIPLOMATIE - KARIMOV OUI, IRAN NON...

- 13. (C) Well before official word came from Tashkent that President Karimov would in fact attend the summit, an Uzbek political officer denied the reports circulating that he would boycott. The officer said tensions between Uzbekistan and Tajikistan were overrated, and the two countries shared too much in common through culture and trade. A Kazakh Political Officer also assured us that Karimov would attend, despite the rhetoric in the media and official chatter claiming the opposite.
- ¶4. (C) Political officers at the embassies of several SCO member states agreed that Iran was unlikely to gain membership in the organization, at least for now. Admitting Iran would require the consensus of all member states. Diplomats of the Chinese, Uzbek, and Kazakh embassies in Dushanbe commented that there was little support in their governments for Iran's SCO membership bid, but none could flatly rule it out. The Afghan DCM vehemently objected to Iranian membership, saying it would both hurt the security and economic potential of the SCO and it would de-legitimize the organization.

ET LE BRIEFING... NON.

15. (C) The diplomatic corps, collectively and individually, pressed the Ministry of Foreign Affairs to provide an official readout on the results of the state visit by China and the other head-of-state visits happening in association with the summit. This looks unlikely. The MFA is generally uninformative about any non-bilateral matter, and the Director of North American and European Affairs commented to emboff that a post-summit briefing for diplomats was unlikely because "we don't do that."

## CHAMPS ELYSEES

16. (C) Dushanbe has seen accelerated construction projects, park overhauls, painting of city streets, and a myriad of other face-lifts. The government is rushing to complete the \$300 million dollar presidential "Palace of the Nation" along with the central city park in front of it (yes, Tajikistan Qwith the central city park in front of it (yes, Tajikistan fans, that's about ten percent of the country's GDP for that palace). Resurfacing and painting of the main roads, hanging of hundreds of signs and posters, and sprucing up of the city's garden strips and flower beds are all in full swing. The Government has commandeered hundreds of actors, singers, dancers, and schoolchildren since early July for daily rehearsals of a gala concert on the eve of the summit. receive no pay. The rehearsals last up to six hours, in the 100 degree sun.

## INSPECTOR CLOUSEAU COMES CALLING

17. (C) Embassy local staff reported that security officers began going door-to-door in central Dushanbe a few weeks ago,

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questioning residents along the main avenues and advising them not to hang up laundry on balconies during the summit. A new development was that security officers also visited outlying neighborhoods of the city, asking residents to report any suspicious or unknown persons, and not to allow strangers to take up residence in their homes in the lead-up to the summit. At Pugus, the village north of Dushanbe where President Rahmon has built a massive and ornate Dacha spanning the Varzob River, residents have been expelled for security reasons until the summit is over. In line with past practice, Tajikistan has closed its land borders with all neighboring states in preparation for the summit.

- ¶8. (C) The police presence in Dushanbe has visibly increased during the last month, with groups of officers up to five or ten strong standing in clusters near critical intersections or in front of government buildings. More upscale Mercedes police cars are on the road. Starting August 26 they will block the roads in the city center for several hours a day.
- 19. (C) All of this is to ensure order and protect the leading figures of a summit crowd that completely overwhelms Dushanbe's capacity to house visitors. The Government expects about 5,000 summit visitors: 600 official Russians, 300 Chinese, 100 Kazakhs, hundreds of journalists, and cultural performance groups from all the countries participating. The government has forced the Hyatt, not ready for business until late this year, to house Russian delegates despite being without furniture and paint still wet. According to a manager at the Hyatt, the hotel is spending \$350,000 to rush cheap furniture in to be used for the duration of the Summit; it will then be discarded. No hotel rooms of any quality are available, and low-end workers summer camp "resorts" far from the city have been taken over to house the 5,000 odd official visitors. Embassy staff found that a popular Chinese restaurant is closed for the week, because it is so busy catering to Chinese summiteers.
- 110. (C) Organizing hospitality has been done in Tajik government fashion; with lofty goals and little planning. As in past summits, each ministry is assigned a country to take care of. For example, the Ministry of Energy must feed,

house and entertain the 100 person official Iranian delegation. Ministries receive no extra funding for this non-core mission, so must take money away from their real activities (or, as we have observed, entertaining on behalf of the President IS their real activity). As with the extortion of costly support from private businesses, this organizational model hides the costs of the summit, avoiding unpleasant questions later on of whether it was worth it - or not.

COMMENT: NON-SEQUITUR

111. (C) Senior government contacts have complained to us that since we bring no private investors to build their grand hydropower schemes, they are "forced" to spend money on massive prestige projects to impress visiting Chinese and Russian officials who will then, presumably, send state-led investment to Tajikistan. We question the logic (and Qinvestment to Tajikistan. We question the logic (and arithmetic) behind this approach. Forcing businesses to support the summit for no compensation is certainly bad for the investment climate that officials claim the summit will benefit. Also illogical, the Palace of the Nation alone costs as much as China's huge road improvement project between Dushanbe and Khujand, and it is only the largest of numerous presidential palaces around the country. The Chinese are funding the road for their own commercial and strategic reasons. Tajikistan's dream mega-project, the Rogun dam, will cost billions of dollars, but has languished undone because of disputes between Russia and Tajikistan over post-completion ownership. Fancy hospitality and new palaces have not solved this problem, nor are they likely to resolve the personal enmity between Karimov and Rahmon, which blocks regional trade and hydropower development. But as power rationing spreads to Dushanbe this fall, with its attendant disruptions of water supplies, many businesses, schools, and hospitals, the gaudy illuminated Palace of the Nation and its surrounding park will remind Tajiks of the pride their President takes in his country. As Foreign Minister Zarifi said to Ambassador in January, in response to her question

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about the wisdom of prestige construction during a humanitarian crisis: "Paris, after all, has its Eiffel Tower." End Comment.

JACOBSON